

Message Text

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AMEMBASSY CAIRO

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AMEMBASSY THE HAGUE

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AMCONSUL HONG KONG

AMEMBASSY LONDON

USMISSION NATO

AMEMBASSY NEW DELHI

USMISSION OECD PARIS

AMEMBASSY PARIS

USLO PEKING

AMEMBASSY PRAGUE

AMEMBASSY ROME

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TAGS: ETRD ENRG EGEN EFIN UR XG

SUBJ: SOVIET FOREIGN TRADE IN 1974: PRELIMINARY FIGURES RELEASED

REF: MOSCOW 4936 (NOTAL)

1. SUMMARY. TOTAL SOVIET FOREIGN TRADE IN 1974 WAS 39.6 BILLION RUBLES (US DOLS 56.6 BILLION), AND INCREASE OF ABOUT 26 PERCENT OVER 1973'S TOTAL OF 31.3 BILLION. ALTHOUGH SOME OF THIS INCREASE WAS DUE TO INFLATION IN WESTERN PRICES, THE SOVIET FOREIGN TRADE MINISTRY GIVES NO ADJUSTMENT FIGURE AS IT HAS IN PREVIOUS YEARS. EXPORTS IN 1974 TOTALLED 20.8 BILLION RUBLES AND IMPORTS 18.8 BILLION. DURING 1974 THE PROPORTIONAL SHARE OF THE SOCIALIST COUNTRIES IN SOVIET TRADE DECLINED TO 54 PERCENT OF TOTAL (FROM ABOUT 58 PERCENT IN 1973) AND THE SHARE ACCOUNTED FOR BY DEVELOPED CAPITALIST COUNTRIES INCREASED TO 31 PERCENT FROM ABOUT 26 PERCENT IN THE PREVIOUS YEAR. SOVIET TRADE WITH LDCS CONTINUED TO ACCOUNT FOR ONLY ABOUT 15 PERCENT OF TOTAL. MAJOR DEVELOPMENTS DURING THE YEAR INCLUDED THE CONTINUED EXPANSION OF TRADE WITH DEVELOPED COUNTRIES THROUGH LONG-TERM COOPERATION AND CREDIT AGREEMENTS, THE INCREASED INVOLVEMENT OF CEMA COUNTRIES IN LARGE-SCALE RAW MATERIAL, ENERGY AND INDUSTRIAL DEVELOPMENT PROJECTS IN THE USSR. AMONG THE DEVELOPING COUNTRIES FOUR FROM SOUTH ASIA AND THE MIDDLE EAST--EGYPT, INDIA, IRAN AND IRAQ--WERE THE LEADING SOVIET TRADING PARTNERS FOR THIS SECTOR. END SUMMARY.

2. ARTICLE IN SOVIET ECONOMIC NEWSPAPER EKONOMICHESKAYA GAZETA (EG) MOSCOW APRIL 9 GIVES FIRST OFFICIAL FIGURES AND PRELIMINARY ANALYSIS ON SOVIET FOREIGN TRADE DURING 1974. PUBLICATION THIS YEAR WAS ACCOMPANIED BY SPECIAL PRAVDA ARTICLE BY FOREIGN TRADE MINISTER PATOLICHEV CITING MAJOR ACHIEVEMENTS IN SOVIET FOREIGN ECONOMIC RELATIONS DURING 1974 AND ESPECIALLY BOOM IN TRADE WITH WESTERN EUROPE (REPORTED REFTEL). HIGHLIGHTS OF EG ARTICLE ON 1974 TRADE FOLLOW.
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3. WORLDWIDE. TOTAL TURNOVER (EXPORTS AND IMPORTS) FOR 1974 WAS 39.6 BILLION RUBLES (DOLS 56.6 BILLION AT OFFICIAL EXCHANGE RATE OF ONE RUBLE EQUALS DOLS 1.43), AN INCREASE OF 8.3 BILLION RUBLES (DOLS 11.9 BILLION) OVER TURNOVER FOR 1973. EXPORTS IN 1974 TOTALLED 20.8 BILLION RUBLES AND IMPORTS 18.8 BILLION, YIELDING SURPLUS OF TWO BILLION, A SLIGHT INCREASE OVER 1973 SURPLUS WHICH WAS ONLY

300 MILLION. IN CONTRAST TO SIMILAR ARTICLE IN 1974, NO ADJUSTMENT FIGURES GIVEN FOR PRICE INCREASES DUE TO WESTERN INFLATION, ALTHOUGH IN PRAVDA ARTICLE PATOLICHEV NOTED THAT "SOME OF INCREASE" IN TOTAL TURNOVER DUE WESTERN PRICE RISES. DURING 1974 USSR TRADED WITH 112 COUNTRIES, OF WHICH 13 SOCIALIST, 26 DEVELOPED CAPITALIST, 73 DEVELOPING.

4. BROKEN DOWN BY SECTORS AS PERCENT OF TOTAL, 54.1 PERCENT OF SOVIET 1974 TRADE WAS WITH SOCIALIST COUNTRIES (1973 FIGURE 58.5 PERCENT) AND 50 PERCENT OF TOTAL TRADE WAS WITH CEMA COUNTRIES (54 PERCENT IN 1973). DEVELOPED CAPITALIST COUNTRIES ACCOUNTED FOR 31.3 PERCENT OF ALL 1974 TRADE (26.5 PERCENT IN 1973) AND LDC'S ACCOUNTED FOR 14.6 PERCENT (15 PERCENT IN 1973).

5. SOCIALIST SECTOR. TOTAL TRADE WITH ALL SOCIALIST COUNTRIES WAS 21.4 BILLION RUBLES, UP 17 PERCENT FROM 18.3 BILLION RUBLES IN 1973. TRADE WITH NINE COUNTRIES OF CEMA TOTALLED 19.4 BILLION, UP 15 PERCENT FROM 16.9 BILLION IN 1973. SPECIFIC CEMA COUNTRY TURNOVER IN 1974, LISTED WITH 1973 FIGURES, FOLLOWS:

USSR TRADE WITH CEMA COUNTRIES
(MILLIONS OF RUBLES)

	1973	1974
GDR	3,965	4,315
POLAND	3,000	3,584
CZECHOSLOVAKIA	7,760	3,029
BULGARIA	2,555	2,904
HUNGARY	2,063	2,282
CUBA	1,110	1,642
ROMANIA	1,130	1,191
MONGOLIA	338	404
TOTAL	16,921	19,351

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OUTSIDE OF CEMA AREA, TRADE WITH YUGOSLAVIA NEARLY DOUBLED, RISING TO 1.2 BILLION RUBLES FROM 671 MILLION IN 1973; TRADE WITH NORTH VIETNAM WAS 236 MILLION, UP FROM 180 MILLION AND TRADE WITH NORTH KOREA DECLINED TO 343 MILLION FROM 357 MILLION IN 1973. TRADE WITH CHINA IS LISTED AT 214 MILLION COMPARED WITH 201 MILLION IN 1973.

6. IN DISCUSSING STRUCTURE OF SOVIET TRADE WITH THIS SECTOR, ARTICLE NOTES THAT USSR EXPORTED ABOUT 2.8 BILLION RUBLES WORTH OF MACHINERY AND EQUIPMENT TO OTHER CEMA COUNTRIES AND IMPORTED ABOUT FOUR BILLION FROM THE. CEMA COUNTRIES ALSO ACCOUNTED FOR ABOUT TWO-THIRDS OF TOTAL SOVIET IMPORTS OF SHIPS, MACHINERY AND EQUIPMENT IN 1974. USSR "COVERED TO A SIGNIFICANT DEGREE" REQUIRE-

MENTS OF CEMA COUNTRIES FOR OIL, GAS, ELECTRIC ENERGY, STEEL INGOTS, FERROUS AND NON-FERROUS METALS, COTTON, MANGANESE, IRON ORE, AND TIMBER. MAJOR SOVIET IMPORTS FROM CEMA SECTOR, IN ADDITION TO SHIPS, AND CAPITAL EQUIPMENT DESCRIBED AS CONSUMER GOODS AND CHEMICAL PRODUCTS.

7. SPECIAL MENTION IS MADE OF CEMA COUNTRY PARTICIPATION IN DEVELOPMENT OF LARGE PROJECTS IN USSR FOR EXTRACTION AND PROCESSING OF RAW MATERIALS AND ENERGY--NATURAL GAS, ASBESTOS, CELLULOSE, IRON ORE AND ALSO COOPERATION IN SUCH AREAS AS ATOMIC POWER, COMPUTER TECHNOLOGY AND ELECTRONICS.

8. DEVELOPED CAPITALIST COUNTRIES. TOTAL TRADE WITH THIS SECTOR DURING 1974 WAS 12.4 BILLION RUBLES, UP 49 PERCENT FROM 8.3 BILLION RUBLES IN 1973. AND, AS PATOLICHEV NOTED IN PRAVDA ARTICLE, SHARE OF THESE COUNTRIES HAS NOW INCREASED TO 31.3 PERCENT--NEARLY ONE-THIRD--OF ALL SOVIET TRADE, COMPARED WITH 26.6 PERCENT IN 1973. VALUE OF SOVIET EXPORTS TO THESE COUNTRIES TO THESE COUNTRIES WAS 6.3 BILLION RUBLES, UP SHARPLY FROM 3.7 BILLION IN 1973, AND IMPORTS ROSE TO 6.1 BILLION (4.6 BILLION IN 1973). ARTICLE LISTS FOLLOWING COMPARATIVE FIGURES FOR TOTAL TURNOVER WITH EIGHT LEADING DEVELOPED CAPITALIST COUNTRIES IN SOVIET TRADE:
TRADE OF DEVELOPED CAPITALIST COUNTRIES WITH USSR
(MILLIONS OF RUBLES)

1,210	2,209
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FRG	1,210	2,209
JAPAN	994	1,683
FINLAND	777	1,540
ITALY	614	1,137
FRANCE	722	941
GREAT BRITAIN	715	890
USA	1,161	742
NETHERLANDS	356	571

9. DEVELOPING COUNTRIES. TOTAL TURNOVER ROSE ABOUT 23 PERCENT TO 5.8 BILLION RUBLES AND ACCOUNTED FOR 14.6 PERCENT OF ALL TURNOVER, ALMOST SAME SHARE AS IN 1973. TOTAL TRADE WITH LEADING LDC TRADE PARTNERS IN 1974 LISTED AS FOLLOWS:
USSR TRADE WITH DEVELOPING COUNTRIES
(MILLIONS OF RUBLES)

	1973	1974
EGYPT	541	728
INDIA	589	615
IRAN	275	496
IRAQ	332	453
BRAZIL	126	202
SYRIA	119	172

ALGERIA	117	172
ARGENTINA	77	137
NIGERIA	40	92

ARTICLE NOTES THAT LDC'S ACCOUNT FOR VERY LARGE PROPORTION
OF TOTAL SOVIET IMPORTS OF CERTAIN COMMODITIES SUCH AS
COTTON, WOOL, HIDES, JUTE FIBERS AND COTTON TEXTILES.
NUMBER OF LDC TRADING PARTNERS ALSO SAID TO BE STEADILY
EXPANDING, WITH REPUBLICS OF RUANDA AND BURUNDI ADDED TO
LIST IN 1974.
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